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ABSTRACT

This book explores partnerships between state colleges and universities and local governments to build and operate facilities in light of increasingly scarce funds at the institutions. With new partnerships, institutions risk losing authority over new facilities, but the benefits of joint partnerships far outweigh the risks. Examined are three case studies involving Southeast Missouri State University, Black Hills State University in South Dakota, and the University of Nebraska at Omaha. It is noted that these institutions tried in vain to get additional state funding through traditional means and in each case, the institutions and their communities realized the need for the joint facilities and rallied to the cause. However, these partnerships also encountered friction involving lawsuits, special interest groups determined to block the projects, and citizen complaints. From these experiences, an outline of the common hurdles faced by joint venture partners emerged and is offered in this book, along with guidelines for officials who might seek such partnerships for their campus or community. (GLR)

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JOINT VENTURE PARTNERSHIPS:

A SCARCE FUNDS APPROACH TO ACQUIRING AND OPERATING NEW FACILITIES AT STATE COLLEGES AND UNIVERSITIES

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HOUSTON G. ELAM

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

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Houston G. Elam
American Association of State Colleges and Universities

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FOREWORD

At state colleges and universities, increasingly scarce funding for building facilities such as auditoriums, theaters, recreation centers, and field houses has resulted in creative financing. Yet such facilities are vital to the quality of life on campus. Therefore, ever-tightening budgets will make the search for alternative sources of funding the rule rather than the exception.

As a service to members, the American Association of State Colleges and Universities (AASCU), at the request of then-President Allan W. Ostar, studied jointly owned and operated facilities. Their origins ranged widely, from the decision to share a roof to the security of municipal bonds for construction. Management of the ventures varied equally as widely.

Joint operations admittedly pose serious risks, in that partners entering into such agreements may lose some control over use of the facility. This study indicates, however, that the benefits of cooperation far outweigh the risks.

Many of those surveyed are pleased with the partnerships and would enter into such agreements again in the future. Not only has cooperation resulted in a closer relationship with the community, but the creativity sparked and knowledge gained have benefited other areas of the institution in several ways.

During the course of the informal study, it became apparent that some types of arrangements were more successful than others. It was also apparent that institutions made preliminary decisions they would like to have changed later on were it possible to do so.

That most, but by no means all, institutions currently using and planning such facilities are in rural areas was initially surprising, though on

reflection I recalled that urban schools tend to have greater access to significant sources of private funds that allow them to build and run facilities on their own.

AASCU's goal in undertaking the informal study was to provide guidance to member institutions contemplating such partnerships. We are pleased with the findings and hope that institutions will find this volume useful.

AASCU is especially indebted to Dr. Houston "Tex" Elam—former Dean, School of Professional Arts and Sciences, Montclair State College; Dean, College of Management, University of Massachusetts at Boston; Deputy Chancellor, The City University of New York; and President, the State Colleges in Colorado—who undertook this study as a Senior Fellow for the Association.

James B. Appleberry
President
American Association of State Colleges and Universities

PREFACE

One hundred seventy-one AASCU-member institutions responding to the survey became the primary resource for this study. Twenty-eight of them are currently operating joint facilities, ranging from museums to hotels and airports. Nine are currently operating, building, or are about to begin building jointly funded facilities. Such arrangements became the focus of this study and the heart of this volume.

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Joint Venture Partnerships: An Approach to Creating Facilities

Public colleges and universities face increasing problems obtaining funds necessary to build or expand their facilities. As state revenues tighten, the situation worsens. The prospect for raising capital is particularly bleak for facilities not traditionally considered classrooms. Typically most difficult to fund are physical education and recreation centers, fine and performing arts centers, conference centers and continuing education classrooms and display areas off the main campus.

Such facilities are costly both to build and to operate. It's doubly difficult to present their proposals favorably to legislators, who confront a horde of competing demands for funding. Moreover, the public often views such facilities as peripheral to the educational experience, even though college and university personnel view them as essential.

As the funding for such facilities dries up through normal channels, various creative financing approaches emerge. This volume highlights a few success stories and offers advice based on these experiences.

The American Association of State Colleges and Universities surveyed member institutions about their involvement in joint facilities. Three campuses with apparent success stories were visited. After analyzing the findings, guidelines were developed to help those institutions contemplating such projects.

Organization of the Study: The Case Approach

This volume details three experiments and provides general information from several other projects. From each visit a case study was developed of each of the projects at their various stages—original circumstances, planning discussions, strategic development, construction and operation. Visitation sites were selected based on a combination of factors

including the uniqueness of the situation, the solution obtained, and/or the creativity used in problem solving. The Show Me Center at Southeast Missouri State University, the Donald E. Young Sport and Fitness Center at Black Hills State University in South Dakota and the Peter Kiewit Conference Center at the University of Nebraska at Omaha are the principal projects analyzed. Though at first glance the three seem similar, the approaches used to solve the attendant problems were unique, as were the results. Each case provides useful insights for others contemplating similar projects.

After a discussion of the three cases, a review of the findings from the full study is presented, followed by the lessons learned in the appendix.

The Changing Funding Situation

Historically, state colleges and universities have obtained capital for facilities funding from state budgets. While the level of funding varies with local economic conditions, its availability is considered a covenant for as long as public higher education has existed. For the most part that covenant continues. However, higher education institutions have frequently found it necessary to seek assistance from other sources to augment state-restricted allocations for construction.

Sources of Capital For Construction

Although funding can be classified in various ways, the following ten categories sufficiently cover the general alternatives. As will be noted later, many of these approaches can be and are combined for maximum effect.

State Funding

Some state formulas provide for both capital and operating funds in a single budget. Other states provide separate accounts with restrictions on the commingling of funds not authorized in the original allocation.

Specialized State Bonding Authority

Some states have or may establish specialized bonding authority to underwrite capital funding to repay a loan. A variation on this theme is a state-established bonding authority dedicated to such projects. For example, a five-cent increase in the statewide ciga-

rette tax may pay off bonds that finance construction projects at universities or other state facilities.

Tuition and Fees

Although tuition and fees are assessed at all public higher education institutions, authorization for use varies. Where no moratorium on the uses of such money exists, prudent management may permit the gradual accumulation of such revenue. The savings and investment of such accumulation can be made for future capital construction projects. The tuition-and-fees source tends to be problematic, however, for it can become an issue in some legislatures, with a prospective reduction of future funding based on the "excess" of funds already available.

Endowment and Institutional Revenues

Some colleges and universities have been able to gather revenue from donations, gifts, and sale of property, which can then be used for capital purposes. Revenue sources also include leasing property and granting exclusive permission for services. Land may be leased for shopping centers, hotels, airports, research centers, and the like. Rights and permission fees may be charged to bookstores, food services and parking garages.

Special Fees and Assessments

User fees charged for the construction and operation of student centers and recreational facilities, and "dues" charged faculty for the operation of faculty clubs or dining areas, are the most obvious illustrations of fees and assessments funding for construction or operation of facilities. Other assessments include those for health centers, libraries, and computer and other laboratories. Admission charges are frequently required for museums, planetariums, aquariums, and other showcases.

Major Gift Donations

Capital financing may also be obtained through a corporate and other private donors. Such gifts sometimes include funding to cover operation and/or construction of the facility.

Development Campaigns

Recognizing the need for versatility in funding, many colleges and universities have established advancement or development offices in order to conduct fund raising and planned giving programs. Although private institutions have been engaged in such activity for a long time, at most public colleges it is a new endeavor. Indeed, one of the more difficult tasks they face is educating alumni that giving to their alma mater is not an unreasonable expectation.

Grants from Governments or Foundations

Another capital funds source occasionally available is a grant from a government agency or a private foundation, typically for specified use such as a fine arts center or science building. Agency and foundation grants usually come with certain contingencies or requirements.

Long-Term Leasing of Private Facilities

In some states, it is possible for an institution to contract for a long-term lease for a facility to be built by a private developer according to institutional specifications. A variation on this theme is a lease-purchase arrangement under which a private developer leases a facility to recover costs and a reasonable profit and then sells or donates the property to the institution.

Another variation of long-term leasing involves limited use. The institution obtains access to specialized facilities for specific periods of time, thus providing at least short-term relief for funding problems. Examples include athletics facility leasing for hockey, football, tennis, golf, and basketball, for theater, and for radio/TV broadcasting. The institution gains access to needed facilities at a low initial cost, while relinquishing control of scheduling and program expansion.

Joint Venture Developments

Under this arrangement, the college or university joins in partnership with another party to finance and/or operate the needed facility.

How Joint Venture Partnerships Work

In a joint venture partnership (JVP) at least two participants obtain and/or run the desired facility. In the case of capital construction and operation, a college or university joins with another organization or agency to build and/or operate a facility. Each partner, of course, has its own objectives for the project. Thus, to engage in a successful joint venture institutions must determine what level of authority loss is acceptable in return for external financial support. This is an important decision that should be considered at length early in the process. In some instances a joining partner seeks some benefit other than control or participation, which makes negotiating easier, such as community support and respect as a result of the donation.

Not all partners require that all decisions be made jointly with the college or university, but all expect acknowledgment of their needs in the creation and operation of the facility in which they have invested.

A city or county government is the most likely partner, although regional arrangements with several participating agencies are also possible. Typically, a local agency can obtain the necessary funding by issuing revenue bonds—something most colleges and universities cannot do. (The general exception is for dormitories and other student use facilities, such as recreation centers.)

Any kind of single- or mixed-use facility can be financed in this manner. Sometimes separate facilities are built under the same roof using individual financial arrangements but built close enough to complement each other. In other cases a single facility is funded jointly by local communities, the state, and the institution. Some facilities have separate boards to work out scheduling of use while others simply see audit verification of expenditures. The nature of management arrangement varies.

University joint partnerships are most often formed for the following types of facilities:

Physical education and recreation

Teaching and office areas, fitness laboratories, gymnasiums, swimming pools, specialized indoor activity complexes, health and wellness centers, locker rooms, and the like.

Fine and performing arts

Teaching and office areas for art, music, theater, dance, rehearsal halls, as well as stages, galleries, performance halls, arenas, etc.

Conference, continuing education, and community activity

Offices and classrooms, dining, conference, meeting and community areas.

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Show Me Center, Southeast Missouri State University

Southeast Missouri State University (SEMO), with an enrollment of 8,800 is located in Cape Girardeau, a rural community of 34,438 with another 22,000 scattered nearby. The city is about 115 miles south of St. Louis. "Cape" as it is locally known, is the dominant market town for 485,000 people in the sparsely settled, tri-state area encompassing Missouri, Illinois, and Kentucky .

SEMO's Needs

As the student population continued to grow, and the complexity of the curriculum grew, the university found itself in need of additional buildings. Up to this time, the university had been able to obtain at least the facilities needed most. Now, however, in seeking a badly needed arena-conference-classroom-events center, it encountered its greatest difficulties.

Each year for many years the university requested funding for its documented events-center needs. Each year the state refused. As then SEMO President Bill W. Stacy put it, "I was told point blank [by the State Senate Appropriations Committee] the project did not have a chance without a significant local contribution. Yet, the university lacked physical education and recreational facilities, which are expensive both to build and maintain. The university also required large auditoriums, short-term, flexible classrooms, and conference facilities.

Community Needs

During the same period, the leadership of the City Council at Cape Girardeau sought ways to expand opportunities to make the city a destination for tourists, not merely a stopping point for the increasing number of

travelers passing through. They thought there ought to be ways of taking even better advantage of Cape's location. The city, separated from other large communities by many miles, had good roads. Interstate 55, the major north-south artery from Chicago to New Orleans, passes on the west side of town with four interchanges, providing considerable opportunity for motorists to stop. A bridge across the Mississippi River provides access from rural southern Illinois, as well as from western Kentucky.

Eventually, Cape community leaders concluded that a convention center would be a natural addition to their city. After several attempts to raise funding, however, it became clear that the city could not afford such a facility on its own.

Luckily, for all concerned, there was no serious town/gown conflict. Both the SEMO president and city mayor were respected by their constituents. Stacy had served as president of the university for several years and was well liked on campus and in the community. He, other senior administrators, and faculty members were active in local service clubs and the chamber of commerce. Mayor Took had served his community effectively for some time. Both leaders began to recognize the need for some kind of joint participation if they were going to obtain the type of facility they wanted. At the same time, each was aware of the risks of such a venture, and consequently moved slowly and apprehensively, at first.

Formation of the Citizens Advisory Committee

In the early 1980s a Citizen Advisory Committee was formed, including a broad range of community leaders including City Council members, and chaired by Mayor Took. President Stacy, members of the university's Board of Regents, and other representatives of the university were also appointed. After all recognized they had a mutual problem—the need for a large facility and the lack of resources to build it on their own—a partnership was studied and formed.

Many concerns arose. Who was to be in charge? Who would pay if things went wrong and the project did not make money? Can the "other guy" be trusted? Everyone knows that city governments change over time, so might not the university eventually face a hostile City Council that could tie things up? And who wants to put money in a facility that some state bureaucrat from Jefferson City can tell the city what it can and can't use it

for? There were so many stories about how unfairly each constituent has been treated in the past. And, of course, there was the underlying question, "How good are the chances of actually getting the facility approved and funded?"

Goal Setting

To resolve the situation, the committee decided to establish a number of primary objectives for the facility. After much discussion, it decided on four objectives:

- to improve the quality of life for the city's full-time residents while enriching experiences of the students at SEMO
- to provide a home for the men's and women's basketball programs
- to enhance the popularity of the city and the university as a location for cultural events, meetings, and conventions
- to expand the economic base of the region.

Spatial Considerations

Agreement had to be forged about use and configuration of space in the facility. The city wanted a large, multipurpose, major events auditorium that could be regularly filled with people for evening and weekend programs. The university wanted a smaller auditorium, more specialized space, student recreational space, all designed for more intensive use.

Over time a compromise was reached, and the emphasis shifted to a recognition that much more accommodation could be achieved through creative design. The events portion of the center would have to be large enough to attract major performers and activities, yet small enough so as not to swallow up space for more modest activities of the university. SEMO would require locker rooms, yet space would also be needed for conference rooms. In addition, if the center was to be self-sustaining, as the groups envisioned it would be, substantial space would have to be provided for concessions, something the university would not normally consider important.

During these intense discussions, the university began to realize it might be wise to put student recreational needs aside in this project and try to figure out a way to achieve those objectives in other ways—for example, by constructing a separate recreational facility financed through

an increase in student fees. Separating these issues was instrumental to success of the dialogues. (The university began a separate process of reviewing recreational space needs and funding opportunities.)

Eventually the advisory committee reached preliminary conclusion about space and cost estimates. The funding goal set was about $13 million. The committee also recognized that the project would need support from the voters and that the funding test would be to raise $5 million.

The Location Dilemma

Not surprisingly, location became a problem. The motels were all located on the west end of town along the interstate, with nearby land available. Therefore, their operators and some others considered their location the perfect building site. Other community members wanted the facility located deeper in town to allow more of the business community to benefit from visitors to the center.

The university, on the other hand, expected a facility that would be constantly used by students to be located on or very near the campus—a long distance from the motels, and not convenient to downtown. Another problem with this site was that none of the streets people would have to use to reach the campus could handle much more traffic, and, as is frequently the case in an older community, no acceptable solution to that traffic problem could be found.

Assessing and Coordinating the Funding Opportunity

To allow for the fact that the city might not collaborate, members of the advisory committee began to assess prospects for state funding. Quiet probing by committee members and SEMO uncovered the fact that several key legislators might be interested in supporting the project if some conditions were changed. The same discreet inquiry revealed that there were no apparent regional resentments or individuals who might hinder the project. It was determined that a joint effort by the community and university might, in fact, garner broad legislative support.

In fact, there were reasons to believe that the timing was critical if the city were to raise significant funding. The state's rather recent $600 million "Build Missouri" 1982 bond issue might provide funding for this type of

public project. In addition, several key state legislators could be natural supporters under the right conditions. It became necessary, therefore, to hold an election to ascertain local voter support for a bond issue.

The Key Step: A Referendum

Everyone knew how difficult getting voters to approve a new tax would be; therefore a careful campaign was developed. The community's need for the facility, and the ensuing benefits, were stressed. Voters were told that the city was asking for permission to issue $5 million worth of general obligation bonds, the proceeds from which would be used to support construction of the facility. They were also asked to impose a 1 percent restaurant gross sales tax and a 3 percent hotel occupancy tax to amortize the bonds.

The citizens came to understand, then, that repayment would come from visitors into the community by the facility. They also learned that the city's investment would end with payment of the proceeds of the bond issue; that is, the university would be responsible for the remaining funding, and operating costs. Citizens were assured they would not be asked in the future for additional money for the project. There were other protections as well. If the state did not come up with its share of the funding, the city would not sell its bonds, and the taxing would not be imposed.

Since the site had not yet been selected, that sticky issue was not part of the controversy surrounding the vote. That circumstance, it is now recognized, was a critical and fortunate turn of events because none of the people supporting any of the various sites felt left out, and as a result they supported the campaign.

On April 5, 1983, the citizens voted their support 72 percent to 28 percent, building undeniable momentum for the project.

The Site Selection and the Lawsuit

The two potential sites that became the major focus of discussion were the western edge of town by the motels and interstate, and campus land adjacent to the dormitories. The interstate location posed significant problems for the university, not the least of which was the need for buses constantly shuttling students back and forth. And, as noted earlier, the campus location posed problems for visitors.

After much debate, it became clear that students access would and should be on the most important consideration, and the committee agreed on the campus site. For SEMO the campus location was particularly important because it permitted locating the events facility near the newly planned student recreation center, with many benefits resulting from that proximity. However, the site decision brought an immediate and angry reaction from some of the motel owners who were hoping a nearby location would boost their businesses. Other owners thought the placement of the facility might raise the value of adjacent land, some of which they also owned.

When the City Council would not reverse its decision, the developers took their case to court. The Motion for Summary Judgment, brought first before the County Circuit Court, claimed that the city did not have the authority to enter into such an agreement with the university. The case went to the Missouri Supreme Court before it was finally resolved in favor of the agreement.

The Three-Year Legislative Fund-Raising Effort

After the community vote, both university and city officials began the long and delicate process of pressing the state for the remaining funds needed for the project. In doing so their hand was significantly strengthened by the $5 million now committed by the city. They could honestly say this project, which would benefit the entire southeastern region of the state, had full citizen and university support. They could also demonstrate that the project served a state goal, namely, governmental and citizen collaboration.

As indicated earlier, several key legislators had already expressed recognition of the importance of the project to the region, and appreciation of the efforts resulting in the favorable municipal vote. What was needed was someone to take the leadership in each chamber, and that was found in a senior state senator from the region who had served effectively for many years in that body. In the House, that same kind of leadership was found in the chairman of the budget committee. Other state legislators played important roles during various stages of the three-year process, which resulted in $8 million of funding.

Success in projects like these requires constant attention and communication. In this particular case, the coalition of legislators had to withstand dissidence from the motel owners, and they responded by providing an additional $5 million commitment in the event the city and university lost their case for cooperation. So important were the two legislative stewards of this process, that their names are inscribed on the buildings cornerstone: State Rep. Marvin Proffer and State Sen. John Dennis. Mayor Took's name was also inscribed.

Formalizing the Multi-Use Operating Agreement

By the fall of 1984 the city had provided the bonds for its share of the facility. The Missouri General Assembly had passed legislation for the first phase of design and construction. The general outline of the nature and use of the facility had been agreed upon, and the general site had been selected. It was time to formalize the compact. Therefore, after much discussion, clarification, and many drafts, a Multi-Use Center Agreement was signed by the city manager and the university president on October 31, 1984, after approval by the City Council and the university's Board of Regents. (The full text of the agreement is provided at the conclusion of this chapter.)

The agreement begins with several paragraphs confirming the mutual cooperation and the joint intention of the two parties to pay the cost of acquiring land and constructing, furnishing and equipping thereon a university/city multi-use center, to be financed, constructed and operated jointly by the university and city.

The agreement confirms the limitation of the city's risk by stating that the proceeds from the bond offering will be its only obligation, and that the university will be responsible for operating losses should they occur.

It notes the title and ownership of the facility will be in the name of the university. But the city will have an equal voice in deciding all questions of the facility's design with all major alterations of construction will require express written consent of the city.

The center is to be governed by a Board of Managers consisting of six members: three selected by the City Council and three by the Board of Regents. (Board responsibilities are detailed in the next section.) Initial terms are staggered in order to establish continuity, followed by three-year terms. No restrictions are placed on reappointments to the board. Al-

though board members will receive no compensation for serving, they are to be reimbursed for reasonable and necessary expenses.

Under the agreement, the university accepts full responsibility for facility operations and maintenance. Therefore, while the board participates in the selection and appointment of the director, and is responsible for all personnel, all operating funding is provided by the university.

The board is required to submit a budget for operations to the university and is responsible for proper expenditures once the budget is issued. The university is required to provide a budget sufficient to permit proper operations of the facility, its staffing and promotion, as well as to maintain separate accounts for the center. The board and city are to have audit access to all accounts on an annual basis.

The agreement stresses the need for flexible scheduling and concludes by providing a process for amendments as well as charging the board to establish bylaws governing fees and use of the facility.

Under the bylaws then established, in return for maintenance and staffing, the university is provided with forty free event uses of the arena, including home basketball games, large student gatherings, and commencements. The smaller rooms are available to university organizations free on a space-availability basis.

Duties of the Board of Managers

In the agreement, the Board of Managers is charged with duties spelled out in seven sections. After being granted responsibility for supervising center use, the board is also directed to develop policies. "The policies shall become effective when approved by both the university and the City," the agreement reads. Amendments to policies must also be approved by both parties.

The board is directed to appoint a director for the center. "This appointment must be confirmed by the University and the City. The Director may be dismissed at will by the Board, with the consent of the University and the City," the agreement reads

The board is directed to schedule events and to ensure fair access. It is to set prices for event use once the university has established the annual fee structure, and it is charged with the promotion of the facility in cooperation with all interested parties.

A significant potential problem lies in the hiring and firing process of the facility director. Both the city and the university must agree with the board's recommendation. One can only shudder at the possibility that the board and one party might agree to replace the director and the other party objects. So far, this situation has not arisen. An important reason for the lack of conflict on this and other points is the center's success, a reflection of the talents of the director chosen.

Selecting the Name

When a contest was held to name the new facility, "Show Me Center" seemed so natural it was accepted with general acclaim. The name has many advantages: it is the state nickname; it calls attention to its location; and it projects a sense of size that compels attention and a sense of importance sought by the planners.

The Parallel Creation of the Student Recreational Center

As mentioned earlier, the university decided to pursue a student recreational facility separate from the events center project. When the location of the events center was finalized, it became clear that the most reasonable and economical location for the recreation building would be right next door, and that it should be constructed at the same time. By placing the two related buildings together, with one common wall between them, the university would be able to reduce the costs of construction, utilities, security, parking, and other services.

The planned facility, to be funded entirely by a one-time $30 annual increase in per student fees, would permit the university to issue bonds in the amount of $3.85 million to cover construction costs of $3 million and provide for furnishing and equipment. No state funding would be used in the parallel project.

The Multipurpose Complex Opens

The completed Show Me Center/Student Recreation Center complex consists of two adjacent buildings sharing one wall. The complex is located on a rise on the northeastern edge of the SEMO campus—the Student Center facing the campus, the Show Me Center facing the community. The structure is set back from the street with 2,250 parking spaces in front and

has wide walkways around it. Its position on a hill emphasizes its size and grandeur. The arrangement also permits guests coming to a major event at the Show Me Center to enter through the sixty-six doors directly into the lobby and arena area. Students coming to the Student Recreation Center enter by overhead walkways from the campus or dormitories directly onto the upper level at the opposite end of the building, which effectively separates the traffic flow.

The 118,000-square-foot Show Me Center contains, in addition to the large arena area, three conference/classrooms, fifty concession stands, ten rest rooms, two large and two smaller locker rooms, kitchens for catering, and rooms for first aid, administration, operation and storage.

The arena area is flexible in use, entirely barrier free, and equipped with computer-controlled lighting and sophisticated, multicluster sound systems. Specialized facilities for the press, radio, and television are provided and the interior walls are treated to absorb sound.

The upper level contains 2,600 permanent seats, accessible only from that level. With no chairs on the arena level, there are 32,000 square feet of unobstructed exhibit space, permitting as many as 200 booths, or one large space for rodeos or sports shows. The parquet basketball court is movable, one of only three of its type in the country. When removed, commencement, conventions, concerts, ice shows, and rodeos can take place without a risk of damage to the flooring. The permanent arena floor has an unlimited weight capacity and direct vehicular access.

In addition to the permanent seats, 4,300 telescopic, full-back theater-style seats can be rolled out for expanded seating capacity. Maximum concert capacity is 8,000.

The adjacent Student Recreation Center Contains three multipurpose courts, an indoor track, pole vault and long jump areas, racquetball courts, a weight room, human performance lab, locker rooms and offices.

The Planning and Effort Have Paid Off

Until a project like this is constructed, opened and operating, the risk of failure or disappointment is a concern. To succeed, this center would need to attract and schedule a large number of different types of shows and exhibitions on a continuing basis. Because of the sparse population of the surrounding area, the center would have to attract repeat visits and

extended pilgrimages.

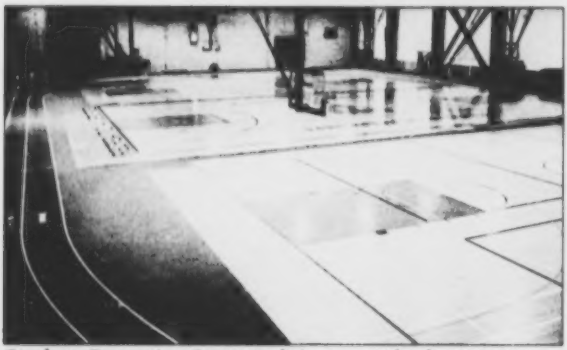
As it turned out, the Show Me Center is a spectacular success. The auspicious first ten days (Aug. 20-29, 1987) set the pattern with 77,000 people attending performances by Bob Hope, George Jones, and Tanya Tucker, a week-long food fair, and a "community days" event. The center has more than broken even from its first year, much to everyone's surprise and pleasure. The Board of Managers operates without conflict, and the community is pleased with the increase of business and tax revenues. The university operates it as smoothly as it does other facilities on campus, and the building management continues to gain confidence as successes increase.

When key university administrators were asked if they recalled anything unexpected, they indicated surprise at the degree of community support reflected in both the high voter turnout and the 70-plus percent favorable vote. They also expressed surprise at the lawsuit, and the tenacity of the small group of business owners who opposed the site.

When Robert Foster, executive vice president and long-term administrator of the university, was asked whether he would recommend the project to the Board of Regents if he had it to do over, knowing what he now knows, his answer was a resounding yes.

Show Me Center photographs
(by Mike Grace)

Arena and recreation facility



Student Recreation Center (adjoins west side of arena)

Arena entrance

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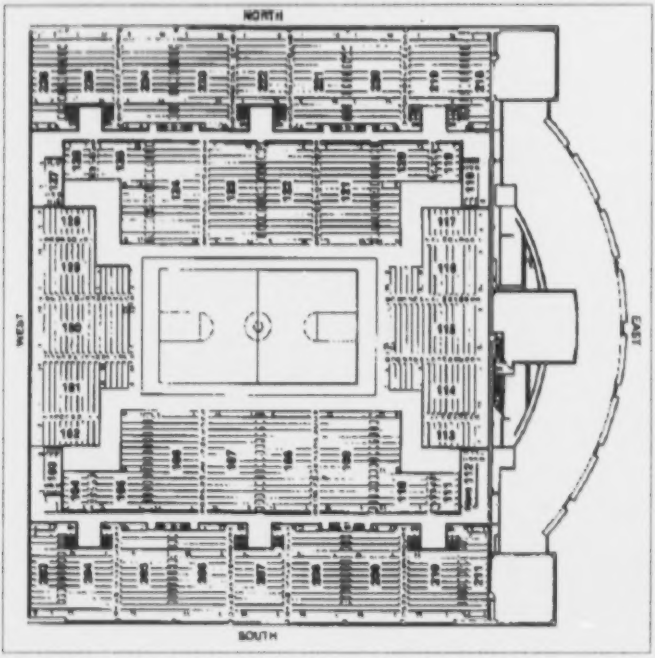
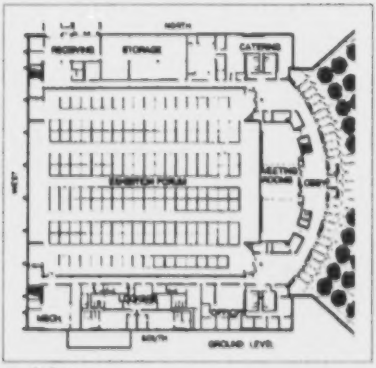
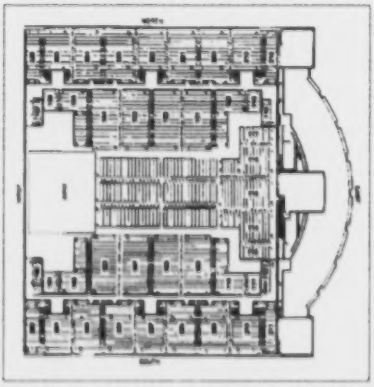
Show Me Center event configurations
(shown without student recreation center plans)



Basketball



Exhibitions



Stage

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Figure 2-1
Show Me Center Statistics and Facilities

Contract Awarded	Oct. 7, 1985
Dedication of Building	Aug. 20, 1987
Total of floor Area	117,000 sq. ft.
Arena area (2 floor)	32,000 sq. ft.
Permanent upper-level seating	2,600
Telescopic auditorium seating	4,200
Floor seating	1,200
Total	**8,000**
Banquet capacity	2,000
Locker and Sports rooms	
2 large locker rooms	
2 private rooms	
1 private dressing room	
Total Lockers	102
3 conference rooms, from 25 to 470	
Public restrooms	10
Outside entrance doors	66

Figure 2-2
Student Recreation Center Statistics

---

3 multipurpose courts
Four-lane, 370 meter track
Pole vault and long jump areas
6 racquetball courts
Weight room
Human performance lab
2 locker rooms
offices

Show Me Center

MULTI-USE CENTER AGREEMENT

Agreement made this 31st day of October, 1984, between Southeast Missouri State University, hereinafter referred to as "University" and the City of Cape Girardeau, Missouri, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, University and City desire to jointly construct a multi-use center for the mutual benefit and use of the University and the Cape Girardeau community; and

WHEREAS, the City has the authority under Article VI, Section 16 of the Missouri Constitution and Section 70.210 RSMo, et seq. to enter into a cooperative agreement with the University for the joint construction of such a facility; and

WHEREAS, the voters of the City of Cape Girardeau have approved a five million dollar ($5,000,000.00) general obligation bond issue for the purpose of providing funds to pay part of the cost of acquiring land and constructing, furnishing and equipping thereon a University/City multi-use Center, to be financed, constructed and operated jointly by University and City; and

WHEREAS, the Missouri General Assembly has authorized the Department of Higher Education to commence the design and construction of a major events facility (Phase I) for Southeast Missouri State University and has appropriated to the Department of Higher Education for Southeast Missouri State University from the Third State Building Fund the sum of three million one hundred ninety thousand dollars ($3,190,000.00) for the design and construction of a major events facility (Phase I); and

WHEREAS, University anticipates that the General Assembly will appropriate additional funds for the construction of a major events facility bringing the total amount of appropriations to eight million dollars; and

WHEREAS, the parties wish to set forth and clarify their rights and obligations relative to the joint construction of the multi-use center and to reach an agreement on the operation and use of the multi-use center;

NOW, THEREFORE, University and City agree as follows:

1. University and City shall jointly design, construct, furnish and equip a multi-use center.
2. City shall pay 5/13ths of the cost of designing, construction,

furnishing and equipping the multi-use center. In no event, however, shall the City pay more than five million dollars. Payment shall be made only from the proceeds of the sale of the City's General Obligation Bonds approved by the voters of the city of Cape Girardeau on April 5, 1983. City agrees to take all steps necessary to expeditiously proceed with the sale of these bonds.

3. University shall provide a site of not less than thirty acres for the multi-use center on the University campus bordering Sprigg and New Madrid. University shall pay 8/13ths of the cost of designing, constructing, furnishing and equipping the multi-use center. University shall take all appropriate and necessary actions to secure additional State appropriations for the multi-use center project.

4. Title to the property and ownership of the multi-use center facility shall be in the University.

5. The multi-use center shall be designed as a multi-use facility in accordance with the proposed uses set forth in Paragraph 6. University and City shall have equal voice in deciding all questions of design. Once the building has been constructed, no major alterations to the building shall be made without the express written consent of the City.

6. The multi-use center shall be available for a wide variety of University and community uses. Contemplated University uses include but, of course, shall not be limited to: instruction, academic conferences, commencement, theater productions, student assemblies, student competitions, concerts, athletic events and intramural athletics. Contemplated community uses include but, of course, shall not limited to: major entertainment attractions, circuses, concerts, conventions, service club/charitable activities, flea markets, antique shows, auto/boat shows, farm/home shows and industrial trade shows. Flexibility of scheduling is the key for the multi-use center. Therefore, on some occasions, some previously scheduled activity will be asked to defer to a major use opportunity.

7. A Board of Managers for the multi-use center shall be established.

A. The Board of Managers shall consist of six persons, three of whom shall be selected by the Board of Regents of the University. The

initial term of office of two members shall be one year. Thereafter, each member of the Board of Managers shall be appointed for a term of three years. The City Council and the Board of Regents shall each initially appoint one member for a term of three years, one member for a term of two years and one member for a term of one year. Members of the Board of Managers may serve than one term. Members of the Board shall not be compensated for their services but may be reimbursed for reasonable and necessary expenses incurred in connection with their responsibilities.

B. The Board of Managers shall have the following duties:

(1) The Board of Managers shall supervise the use of the multi-use center.

(2) The Board of Managers shall propose written policies for use of the multi-use center which are consistent with the terms of this agreement. The policies shall become effective when approved by both the University and the City. The Board of Managers shall review these policies annually and, if the Board deems it necessary, submit proposed policy amendments to the University and the City. Such amendments shall become effective when approved by both the University and the City.

(3) The Board of Managers shall appoint a director to assist the Board in carrying out its duties and to implement policies established by the Board, the University and the City. This appointment must be confirmed by the University and the City. The Director may be dismissed at will by the Board with the consent of the University and the City.

(4) The Board of Managers shall schedule all multi-use center events and shall ensure fair access to the facility.

(5) The University shall have the ultimate right and authority to set multi-use center fees. Subject to this authority, the Board of Managers shall develop reasonable and competitive pricing on all events taking into consideration the nature of the event, in order to establish financial stability and the sound operation of the facility.

(6) The Board of Managers shall promote the use of the facility for University and community purposes. The Board of Manag-

ers shall cooperate with the Cape Girardeau Chamber of Commerce, the City's Convention and Visitors Advisory Board and other similar groups to ensure the greatest possible use of the facility.

(7) The Board of Managers shall submit annual budget requests to the University. The budget requests shall include recommended levels of expenditures for the Director and his staff and such other items as the Board deems appropriate.

8. The University shall be solely responsible for the maintenance of the multi-use center. The Vice President of Administrative Affairs, or his designee, shall oversee the day-to-day maintenance operations of the facility, subject to the policies established by the Board of Managers and approved by the University and the City. The University may contract for multi-use center maintenance services or provide maintenance services using its own employees. In either event, the University shall fully account for its expenses in providing such maintenance services.

9. The University shall be solely responsible for the cost of operating and maintaining the multi-use center. All income derived from the multi-use center, including concession income, will be applied to the expenses of operation and maintenance of the facility. To the extent the revenue derived from operations is inadequate to meet expenses, the University shall be solely responsible for payment of expenses of operation and management. In no event shall City be liable for any cost of operating and maintaining the multi-use center.

10. The University shall adopt an annual budget for the multi-use center., A copy of this budget shall be provided to the City and the Board of Managers. The University shall provide sufficient operating funds for the Board of Managers to hire a competent director and supporting staff. The University shall provide adequate funds to properly promote the multi-use center for the University and community uses. The level of such funding shall be comparable to that of similar facilities throughout the country.

11. The University shall be responsible for all aspects of multi-use center operating and maintenance finances. The University shall

establish a separate multi-use center fund. All multi-use center receipts shall be turned over to the University to be deposited in the multi-use center fund. The University shall provide the City with an annual accounting of all monies received and expended in connection with the maintenance and operation of the multi-use center.

12. City shall have access to all University records pertaining to the operation and maintenance of the multi-use center. City and University shall have access to all records of the Board of Managers.

13. The operation and use of the multi-use center shall be non-discriminatory and shall be conducted strictly in accordance with applicable federal, state and local laws, regulations and ordinances.

14. This Agreement shall be in effect from and after its execution and shall remain in effect through the life of the multi-use center.

15. This Agreement may be amended from time to time by mutual agreement of the Board of Regents of the University and the City Council of the City of Cape Girardeau.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first written above.

3

Creating the Donald E. Young Sports and Fitness Center, Black Hills State University

As far back as 1968, with enrollment going up and student expectations increasing, the administrators of Black Hills State University (BHSU) realized they had a problem. Because the regional climate was severe and no adequate alternate facility existed in the community, they needed to build an enclosed facility for physical education, and athletic and student recreational programs. At this time the nation was placing an increasing emphasis on physical fitness. The institution was also short of classrooms and had an inadequate health center. Therefore, plans for a facility were drawn up and presented to the state.

The administrators realized, of course, such facilities were expensive. There was no local industry that could assist with the costs, and state funding was unlikely. But the need existed, so the university documented its requests and hoped that someday they would be funded. As time passed, the need became more urgent and problems increased.

Black Hills State University

Black Hills State University in Spearfish, South Dakota, sits in the northern portion of the mountains for which it's named. Since 1883 the school has trained and developed teachers to serve the remote region. After World War II it broadened its liberal arts and professional curriculum, and in 1989 the legislature granted it university status. BHSU currently provides master's degree programs in education and tourism.

Many of the buildings on the attractive campus are old. New facilities are difficult to obtain. South Dakota has a modest economic climate; typically, many years of planning are necessary to acquire state funds for capital construction. Much of that time it jostles with other colleges to gain support for new projects from the state legislature.

The Community of Spearfish

Spearfish, a community of approximately 5,700 residents, is located along Interstate 90 in an East-West valley at the northern end of the Black Hills. The city is isolated from urban centers and is the only market town in at least a 50-mile radius. As such, the community must provide all the services expected by its residents with little assistance from other sources. At times, no doubt, the community has wished that the local college were larger and better endowed with resources, and that a large firm would move to town and lessen the community's dependence on college students, summer tourists, and logging. Demographics have continued to change over time, and by 1985 more than 20 percent of the community's population was senior citizens, which has posed increasing service problems for the mayor and City Council.

The only good economic news came when the state voted in 1990 to permit gambling 18 miles away in the small historic mountain town of Deadwood. Because narrow valleys and mountain passes hem in Deadwood, Spearfish is well situated to provide motel and other services for the new wave of visitors.

Town/Gown Relationships

Because of the modest size of the town and university, both recognized their mutual dependence. As the supplier of cultural activities with a willingness to share facilities at crucial times, the university is appreciated by the town. Also because of its flexibility in some areas, the town can and sometimes does provide extra assistance to the university. Local citizens tell of the campus street that was paved and improved by the town, and all speak kindly of how the university, having struck a new source of water after the community failed to do so two years previously, offered the excess supply to the community. But there have been, of course, times of conflict.

The university has far fewer dormitory rooms than its enrollment requires, which means that many BHSU students live in the community. The community recently resisted the university's request for funds for additional dormitories, effectively blocking the effort. The community, on the other hand, citing increasing insurance costs, closed its swimming pool, expecting the university to permit community residents to use its pool.

About every seven years, a governor, legislator or another prominent person recommends the closing of the university, which keeps both university and community leaders aware of their vulnerability to outside intrusion.

The University Pursues Its Project

In 1978 the South Dakota legislature provided $50,000 in architectural and planning funds for a facility that could be replicated on several campuses, expecting to save money through this approach. Several proposals for projects were eventually submitted, and in 1983 the legislature approved capital funding for a facility at Spearfish. This posed a significant problem for the university because the plans drawn up by the state were full of compromises the institution did not favor. But outright rejection was not a prudent option. Faced with the compromise or no facility at all, the community welcomed the former.

The Community Reacts to the Governor's Veto

The governor vetoed the funding bill, stating that he considered it an imprudent use of scarce resources. He also noted that such projects should include community support and cooperation. Many people were less concerned about his comments than about his sense of funding priorities. The university was both relieved and concerned. The community was disappointed.

Later that year, the governor, in a speech at Spearfish, stated he would support a university facility if the community would also support it. Such support—requiring several million dollars from a small, relatively poor and conservative community—was felt improbable. The reaction of the community and university leadership, however, was enthusiastic.

BHSU and Community Leaders Mount Their Campaign

The town and university began planning sessions on how to provide a facility that would meet both of their needs, resulting in a proposal that the community raise $1 million through a bond issue.

The university and city leaders spent the next 18 months planning the facility and preparing for the municipal bonds referendum. In addition to classrooms and facilities for physical education and student recreation, the

facility would have features useful to the community: an indoor swimming pool, tennis courts, a basketball court, and track and other athletic facilities. It would also have a "wellness center" with physical fitness equipment, supervised by registered personnel and associated facilities. The university stressed that there would be separate entrances for students and community people. The publicity stressed that the center's "structural design incorporates a 'simultaneous and multiple use' concept."

To assist senior citizens, the city council agreed to add $200,000 to its bond issue to include a second, smaller, "moving bottom" pool, in which the water's depth could be altered from four feet to as little as six inches by raising or lowering the pool bottom. This feature was judged especially useful to older people concerned about the dangerous depths of a regular pool. The university told the town it would offer memberships to the facility with a fee low enough not to discourage participation. Community leaders and university personnel carried on a vigorous campaign, recognizing that this approach represented the best chance they would have for acquiring their facility.

Both during and after the campaign, town critics stated that the university would take the money and run by having either two restrictive a policy for community use or fees too high for the average citizen, or both. The critics said the town should have a voice in the center's operation, but the city council, concerned such involvement might pose an additional burden, did not request it. With no way of providing guarantees against such behavior, the issue continued throughout the campaign.

On Oct. 15, 1985, the community voted for a 1-cent increase in the sales tax to repay the facility's $1.2 million bond issue. The vote was 72 percent in favor of the resolution, with the senior citizen vote an even greater 76 percent, with a very high turnout. The university's ability to obtain such strong senior citizen support was a highlight of the campaign.

A Deal is Struck in Pierre

Once the city voted its support, local legislators, university regents, and university leaders focused on the project and its funding. The university and state officials finalized plans for the requested facility, which carried a price tag of $10.2 million for construction and furnishing. The other focus

was on obtaining gubernatorial support for the project by holding the governor to his promise. The governor responded positively in several ways and, given that support, the legislature approved a $2.9 million appropriation. In addition, the governor took advantage of a tax loophole that was about to close. He sold several state office buildings, primarily in the Pierre State Capitol area, and then leased them back, thus obtaining $14 million of unanticipated revenue of which $5.1 million was earmarked for the facility at Spearfish.

The governor's action occurred less than a week before the Internal Revenue Service deadline ending the use of such sale/lease-back practices. Resulting from this complicated and carefully orchestrated process, the proposed Sports and Fitness Center project came within $1 million of its goal of $10.2 million. The university turned to its foundation, which in turn took on the task of attempting for the first time to raise a significant amount of money from alumni.

Figure 3-1
The Complex Cost Structure

$1.2 million	city bond issue, 1-cent sales tax
5.1 million	sale/lease-back arrangement with state
2.9 million	state appropriation
1.0 million	BHSU Foundation capital fund campaign
$10.2 million	**cost estimate**

The Plan Becomes a Reality

Construction of the sports and fitness center began on Sept. 22, 1988, and took two years to complete. It opened in early fall 1990 with a formal dedication during homecoming weekend in September.

Under the arrangements with the town, the university had complete control of the facility and its management with services provided to the community on a fee basis. Therefore, while the building was under construction the university proceeded with two tasks, which set the tone for the future. First, it named the building for Donald C. Young, a BHSU alumnus, a recently retired faculty member and administrator and former

mayor of Spearfish. Second, with participation from several community leaders, BHSU successfully completed a national search for the director, Loren Ferré.

The Completed Center

The center is attractively situated on the edge of the campus. Visitors arrive at a spacious parking lot and enter the main lobby on the first floor. Students and staff enter from the campus side directly onto the upper level. This layout separates the traffic and reduces both congestion and confusion.

The 172,000-square-foot, two-level center contains a field house with three tennis courts and a six-lane track; a three basketball court gymnasium with retractable seating for 3,200 spectators; a smaller auxiliary gym for calisthenics, aerobics, and wrestling; an aquatics center with an Olympic-size heated pool and smaller movable bottom pool; separate locker rooms for home and visiting varsity teams; another locker room for community use; and one for staff; seven classrooms of various sizes; a large conference room; a Wellness Center and fitness testing labs; a student health center; diagnostic rooms and training rooms; administrative facilities; and storage facilities. Eventually some of the spaces may be altered and shifted.

Expectations versus Reality

BHSU officials project the capital campaign will fall about $400,000 short of its $1 million goal. The shortfall slowed-up the facility's landscaping, and the building has no central air conditioning, officials said. Although these deficiencies caused some complaints, the university felt it had made the right decision to go ahead and open the building.

Community fears about high fees and restrictions quickly vanished when it was announced that two types of entry permits would be available to the public. Swimming passes could be obtained on a daily, weekly, monthly or annual basis. Full facility passes were sold on a one-month, six-month, or annual basis. Prices were considered reasonable and no complaints were recorded.

The separation of functions and entrances seems to have helped both groups feel welcome in the facility, and the movable bottom pool has been a substantial success.

During the planning, it was hoped that as many as 200 community people would join the sports and fitness center. In fact, 500 memberships have been sold, and renewals are high. The building is operating primarily on its generated revenue, which reduces a burden the university had previously carried.

The university gained a lovely and comprehensive facility with superior indoor physical education and recreation space, a wellness center, much-needed and state-of-the-art classrooms. With the center the university fosters a strong bond with the city, while retaining full control over it. Surely a dream come true.

A number of people—current community leaders, local legislators, and university officials—continue to be impressed with what they got for their money, and consider it better than they had ever hoped.

The Donald E. Young Sports & Fitness Center Photographs

View of facility from southeast.

Basketball gymnasium.

Field house.

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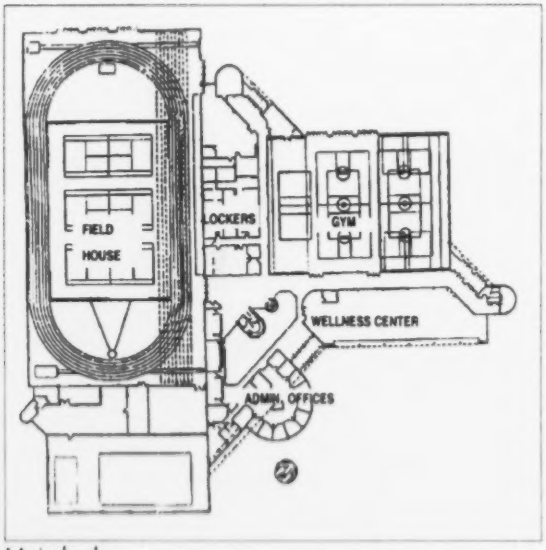
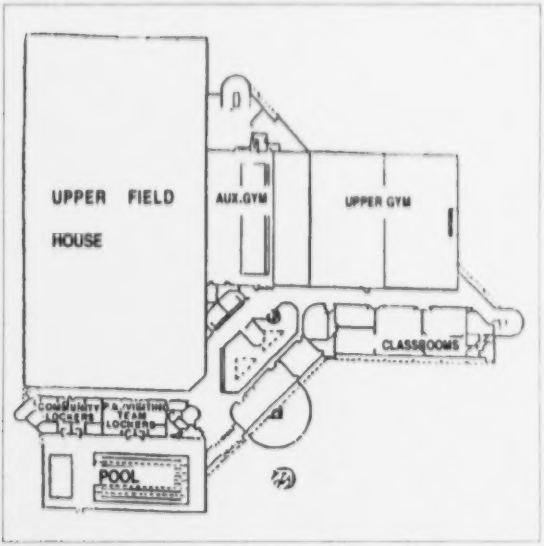
The Donald E. Young Sports & Fitness Center

(Floor Plans)



Main level



Upper level

Figure 3-2
Donald E. Young Sports and Fitness Center Dimension

Field House	3 tennis courts 6-lane track
Main Gymnasium	3 basketball courts 3,200 retractable seats
Auxiliary Gymnasium	areas for calisthenics aerobics wrestling dance
Aquatics Center	Olympic-size pool movable bottom pool
Wellness Center	fitness testing labs training rooms
Locker rooms	home, visiting varsity, community, staff
Student health center	diagnostic rooms science labs
Misc.	7 classrooms of various sizes a conference room trophy room offices mechanical room
Total Space	**171,713 sq. ft.**

4

The Peter Kiewit Conference Center, University of Nebraska at Omaha

By the end of the 1960s the University of Nebraska at Omaha administrators recognized an institutional need. Because of UNO's location in Nebraska's key city and corporate hub, a central city conference center and classroom facility would be a useful and strategic asset. Such a facility would permit UNO to respond to the growing business community demand for short courses and programs. It would also provide a resource for the rental of space for conferences and other events and would allow the offering of credit and noncredit courses in the heart of the city.

UNO's Needs

The campus lies in western Omaha in an attractive, primarily residential area about five miles from the Central business district. As the metropolitan area began to grow, the need also grew for more programs off campus. This was especially true in the city center, where several major employers had expressed interest in having more accessible programs. Some employers were so interested they indicated a willingness to subsidize such programs if necessary. Although off-campus services were discussed often during the 1950s and 60s, it wasn't until 1970 that UNO offered them (primarily ad hoc).

In September 1971 *The Regents' Commission on the Urban University of the 1970s' Report* was issued. It recommended that "UNO bring educational opportunities to the people by further expansion and development of instruction in Program Centers away from the main campus." This campus plan provided clear evidence that the governing board wished UNO to become more involved in outreach programs. With this endorsement, UNO moved quickly to provide more programs at more locations. It also intensified its search for an acceptable major facility in the central down-

town area, an activity that undermined its pursuit of recognition as a strong, service-oriented institution. Each site studied was either too costly or not suitable for substantial classroom use.

To make matters worse, the university was in no position to obtain the extra funds needed for the facility, having been told that the state could provide no additional money. Of particular interest to UNO was the idea of obtaining conference center space, downtown or elsewhere in greater Omaha, for short courses and seminars. This dream seemed particularly improbable because the dominant campus of the University of Nebraska System had recently built such a complex at Lincoln, fifty miles away.

The Changing Omaha Community

Meanwhile, Omaha officials had their own problems. The oldest part of downtown, near the Missouri River, was becoming less attractive as a place to work. The docks and warehouses, once vital to the city's development and economy, were languishing. This condition spread west toward the rest of the central core business area. By 1970 several major buildings stood empty or underused, increasing concern that the rush of businesses to relocate might accelerate—particularly insurance companies, which had been essential to Omaha for many years.

After much consideration, a two-pronged master plan was conceived. Efforts would be made to clean up the river front and then establish parks, recreational areas, visitor attractions, and limited commercial and industrial activity there. An attempt would also be made to reverse the central area's decline through rehabilitation and rebuilding of selected properties in the inner city area away from the river front. A major element of this latter task would be to build a mall along a street running east to west, which runs perpendicular to the river and to the city.

The first demolition took place next to the river, beginning the process of park construction, which included grading and fountain construction. The second phase, creating the Central Park Mall, began with the city's construction of a new Omaha Main Library on the proposed Farnam Street route of the mall, several blocks west of the river. However, no private businesses expressed interest in further expansion in the area. Moreover, despite some interest in constructing a new state office building, such a facility would not draw many people downtown.

Discussions of the Future of the City

Seeking other solutions, business leaders, city officials, state representatives, and UNO administrators began discussing a UNO facility to be built downtown. A chamber of commerce survey revealed high interest in the availability of all types of classes to be taught in the downtown area, underscoring the need for such a facility. The group, however, encountered opposition from several sources. The university, for its part, was concerned about the cost of such a project and was keenly aware of the rejection met by previous proposals. The project now needed strong leadership and a realistic goal.

Peter Kiewit Takes Control

To break the ice, Peter Kiewit, a long-time community leader and president of Peter Kiewit Sons Inc., a large construction company, announced (anonymously at first) in 1973 he would give $2.5 million toward a downtown center for UNO if his funds were matched by other private donors. His challenge got things going. A committee of business and UNO representatives was formed, and a fund-raising campaign initiated.

Location was never debated because the choice was obvious; if the building were located near the river opposite the just-completed library, the construction would be much closer to fruition.

For UNO President Ronald Roskens the plan seemed too good to be true because it would provide his institution with good facilities in a desirable location. At the same time, pursuing the project was risky because it could not succeed without strong and active university support. Such support, however, could alienate other important constituencies, particularly if the projects stalled or failed. After careful review, Roskens decided the benefits far outweighed such risks. He determined the business community was serious about making an all-out effort not only to raise the funds but also to persist during negotiations for the necessary legislation.

A Coalition Builds

In light of the problems associated with such complex projects, as this one was sure to be, a steering committee was established. Someone had to be responsible for tracking progress and keeping others apprised.

Someone was also needed to serve as the enforcer or reminder of agreed-upon commitments. Kiewit assigned that task to John Gottschalk, former editor of a Nebraska newspaper, who had just been hired as assistant to the president of the Omaha World-Herald Company. Gottschalk served as coordinator and communicator to all parties, reminding corporations of their pledges, obtaining bank loans against such pledges and seeing to it that problems and issues were vented and solutions found.

Determining a Workable Plan

In assessing the climate for developing "The Downtown Education Center," the coalition made several assumptions:

1. The Nebraska legislature would probably not consider such a project a high priority and would not provide sufficient funding to build it.

2. Private sources could probably not raise more than the $2.5 million match for the Kiewit pledge, yet much more than $5 million was needed to build and equip the facility.

3. Although UNO desired a downtown location for the center, it did not have the necessary funds. And in addition to legislative resistance, the university system and Board of Regents might not be willing to make funding a priority.

4. Several key legislators appeared to feel strongly that a new office building to house Omaha-area state agencies should take priority over university projects.

5. The university as the prime beneficiary of such a facility could be viewed as unfair to employees who preferred to take community college courses. One faction held that the money should instead be provided for construction of another Metropolitan Technical Community College campus, even though many private supporters wanted courses they felt could best be offered by the university.

6. Because the state could not incur debt, some other device would

have to be found to provide financing for construction. It was suggested that, once completed; the building could generate funds sufficient for self-sustaining operation.

7. Action was needed soon to prevent the downtown area's further deterioration and to keep the business coalition from losing interest in the project.

With these constraints, the best solution seemed to be to combine university and community college classrooms, conference facilities, and state agency offices in one building. The committee considered following the lead of nearby Lincoln, where the community participated in the construction of a state building project by issuing bonds and leasing the building to the state until the bonds were paid off.

After much debate and compromise, the committee set out the nature and scope of the project:

Facility Features

- large, three-story, state-owned building with an underground garage.
- allotment of the entire top floor to Omaha-area state agencies.
- space for regular classes and other university operations on the middle floor, with a small area for community college activities (sublet from UNO) located in one corner of the floor.
- a conference facility, operated by UNO, located on the street floor.

Conditions

- The building would be managed by the State Division of Buildings, and the occupants would pay rent.
- The "education center" would have to be self-sustaining from its first year of operation.
- Omaha would issue bonds for $9 million under a lease/purchase arrangement with the state and supported by a cigarette tax already promulgated for other projects. During the indebtedness the city would hold title to the building.

The University Faces a Dilemma

The project's new guidelines presented a dilemma for the university. Instead of having a new facility downtown, UNO was being asked to

participate in a mixed-use facility over which it would have no control. Yet, the university had already publicly expressed its support for the project under the original plans. Therefore, another review was needed to determine options for action and the risks of raising concerns at this stage.

It was determined that it would not be reasonable for the university to withdraw from the project merely because it would not own the building; after all, the university would have inexpensive access to it. Even to raise the subject would generate considerable negative publicity and misunderstanding within the community. The university resumed support for the project and obtained endorsement from the Board of Regents.

The Coordinated Campaign Begins

Everyone recognized that a strong coalition would be needed to ensure the support of all essential participants. To assist in this effort, several key executives held discussions with legislators, city officials, and other parties. At the same time, corporate representatives expressed the importance of the project to the largest firms in the state. Participation of the state offices and the community college helped garner support from the legislature and the governor. As a result, Senate Bill 1006 of the Second Session of the 84th Nebraska Legislature, authorizing the Downtown Education Center-State Office Building project, was signed into law April 6, 1976.

The Wrecking Ball and the Legal Challenge

As soon as the legislature acted, the property was purchased by Downtown Omaha, Inc. and resold to the city, which prepared to sell revenue bonds to finance its share of the construction. Architectural plans were drafted and demolition contracts prepared. Meanwhile, citizens were expressing displeasure at the prospect of losing historic buildings they felt were important to the city. During city council and state agency meetings, people advocated selecting other sites or renovating rather than demolishing. These meetings continued through 1976 and into the spring of 1977.

The Time of Trials and Legal Maneuvers

The year 1977 was one of considerable legal activity as those opposing the development started proceedings using two separate ap-

proaches: one in county and state courts, and another in federal courts. The first action occurred in mid-April, when an action was brought in Douglas County District Court claiming, among other things, that the center's financing violated the Nebraska Constitution. It was, plaintiffs charged, an attempt by the city, state and private citizens to bypass the state constitutional ban on indebtedness through the leasing arrangement with the city. The judge ruled against the complaint. The decision was appealed to the Nebraska Supreme Court with the same result in late spring of 1978.

In August, after a year of efforts to stop the project at hearings and rallies, an action was brought in federal district court claiming that the buildings slated for demolition qualified for protection under federal historic buildings laws. The senior judge ruled that the court had no jurisdiction in the matter because no federal funds were involved. The ruling was challenged in the 8th U.S. Circuit Court of Appeals and a three-judge panel sustained the lower court decision in mid-September. Demolition followed and construction of the new facility began in January 1978. The "Downtown Education Center-State Office Building" was completed in 1980. Naming the conference center became easy given the forceful and continuous efforts of Peter Kiewit.

The Completed Facility

The three-story building, with underground parking, contains 186,257 square feet of program space and covers a full block in the redeveloped business core of Omaha. It's across from the Central Park Mall and catercorner from the newly completed Omaha Central Public Library along Farnam-on-the-Mall. Spreading over an entire city block, the building has a low, attractive design that makes it accessible to many pedestrians at one time. People coming to see state agency personnel can enter on the east side of the building, completely avoiding contact with those coming for classes or conferences, who enter on the north side.

Administration of the Building

The state owns the building, the State Building Division operates it, and UNO leases the first two floors. The state purchases all equipment, and maintains the facility, and handles utilities.

The UNO dean of the college of continuing studies is responsible for

managing the Peter Kiewit Conference Center. The dean's office is on the second floor. The tenants hold weekly meetings.

Snags

When the building was still under its sale/lease-back arrangement with the city and was collateral for the bonded debt, the city determined it should inspect the building as its property. Because city regulations differed from the state's, which, in turn, varied from UNO's, considerable confusion arose. The problems were not primarily in fire and safety, but in smaller issues such as purchasing. Conflict was unanticipated because the arrangement had been based on the successful example set by the city of Lincoln and the state a few years earlier. In that instance, the city decided that only light monitoring of the state was necessary. Once the bonds were paid off, the problem disappeared as the state took full control of the facility.

Because the Kiewit Center was equipped and furnished from the $14 million raised for its establishment and was designated to be state-owned and operated, new equipment purchases, replacements and repair are the responsibility of the state rather than the university. This arrangement has caused some problems. The state agency, not the university, determines priorities for purchasing. The state determines which bids to accept and what specific products to purchase. Naturally, opinions can differ on what is and is not an acceptable product and when a higher-priced unit should be considered. Although this arrangement is necessary because UNO does not have the funding to support separate purchases, and the arrangement seems to be operating with less friction than might be expected, it nevertheless constitutes a continuing source of potentially serious conflict.

The Peter Kiewit Center Today

The Peter Kiewit Conference Center has now completed its twelfth year of operation and its need has been confirmed. In 1980-81, its first year of operation, the center served 30,300 people through 479 credit and noncredit programs. It broke even its first year and each subsequent year. Both the number and variety of programs have steadily increased, as has revenue. In 1990-91, 70,659 people were served through 1,928 programs.

Not surprisingly, the biggest gain has been in conferences held each year, rising from 308 to 1,152.

Business flight from the downtown area has stopped and the mall is alive with activity. The university now has an obvious presence in the heart of town and is able to offer many more career programs than it had. In addition, the Kiewit Center viably demonstrates UNO's strong commitment to work with the greater Omaha community.

As with many large investments, this one ties up the funds that would enable the university to make strong commitments elsewhere. Although UNO's current investment in the center is valuable, the major thrust of population and business growth is in another locale (west of the campus). Of course, it is not inconceivable that another group of public-minded citizens could form and another committed leader take on a similar challenge to create another such facility at that locale.

The Peter Kiewit Conference Center Photographs

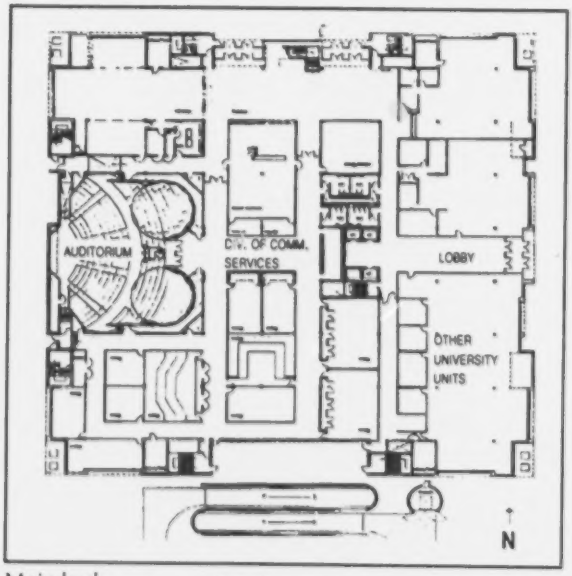
View of center from Southwest

Lobby and regisration area

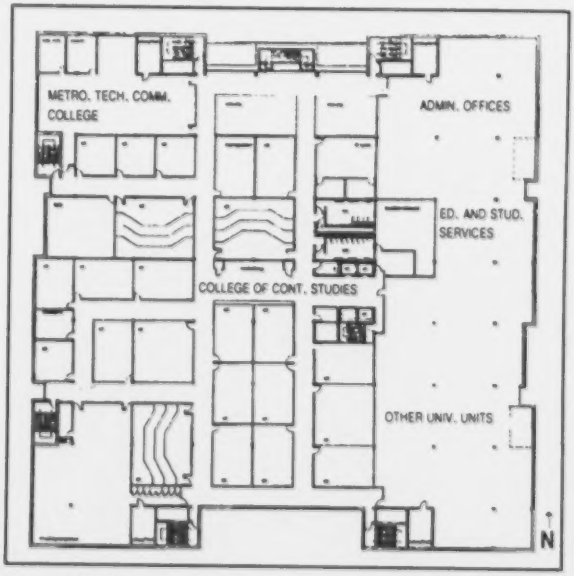
BEST COPY AVAILABLE

The Peter Kiewit Conference Center

(floor plans)



Main level



Second level

Figure 4-1
University Space in the
Peter Kiewit Conference Center

Street-Level Conference Center

18 meeting rooms, most with flexible seating
facilities for audio, video, teleconferencing
soundproofing
telephone lines for computer access
auditorium with complete projection room
large screen
adjustable track lighting
microphone access throughout
podium control of lighting and projections

Seating arrangements

500 When fully directed
main section seats 300
2/100-seat pods, which can be separated for smaller meetings
dining room for 300
lobby
lounges
an information desk
administrative space

Second-Floor Continuing Education Center

21 classrooms, including 3 terraced meeting rooms
a fully equipped computer lab
dean's and other offices and administrative space
Metropolitan Technical Community College (5,800 sq. ft.)

5
DISCOVERIES

In these times of budgetary constraints, joint venture partnerships (JVPs) offer state colleges and universities a viable approach to financing construction. However, like other funding alternatives, they pose special problems and therefore require careful planning and review.

GENERAL OBSERVATIONS

The case histories in the preceding chapters reflect experiences at other institutions. They demonstrate a number of points about most JVPs:

- Many are successfully operating at state colleges and universities.
- Most institutions are pleased with the results and would use the same means of financing again should the opportunity arise.
- Joint planning can result in a finely honed service for both the community and the institution.
- Participating institutions gain a closer working relationship with their communities.
- Despite fears, a loss of operating authority rarely materializes. Regardless of whether the university has equal participation in operations or less than equal, communities have typically not pressed for authority. In several cases communities have made it clear during the planning stages that no such intrusion would be required for their investment.
- This type of project allows more flexibility in planning, facilities, and operations than is usually possible under conventional state procedures.

Figure 5-1 summarizes the ten projects. The first column notes the various sources of funding. The second column indicates authority over the facility director. The next two columns indicate what mechanism is responsible for the general operation and complex scheduling of the facility, and who legally owns it. The next-to-last column shows whether one or both parties developed the plan for the size and character of the facility. The last column indicates how the community obtains access to the completed project.

AASCU Institution	Financed by	Reporting Authority	Operate/ Schedule	Owned by	Facilities Planning	Community Access
Black Hills State	S,C,F,Sp	University	University	University	Joint	Fee
Cal Poly, SLO	S,C,F	University	CAC	University	Joint	Scheduled
Northern State	S,C,Sp	University	University	University	Joint	Scheduled
Southeast Mo. State	S,C,Sp	Op Ag	Op Ag	University	Joint	Scheduled
Nebraska at Omaha	S,C,Sp,P	University	University	S	Joint	Scheduled
Southwest Louisiana	S	C	Op Ag	C	Joint	Scheduled
Texas at El Paso	S,C	University	University	University	Joint	University
Wisconsin-Green Bay	S,P	University	CAC	University	Joint	Scheduled
Wisconsin-Platteville	S,C	University	University	University	University	University
Wisconsin-Superior	S,C	University	University	University	University	University

S = State funding
C = Community, city or county funding
F= Local foundation funding
P = Private campaign funding
Sp = Special state funding
CAC = Community advisory committee
Op Ag = Formal operating agreement
Joint = Jointly developed by the parties
Fee = User fees

Two states that have formal processes for encouraging collaborations between communities and universities are Illinois and Ohio. Illinois has assisted local communities and universities in working together on such projects as civic centers. Ohio provides funding to local communities through higher education structures, designating funding for specific community construction projects. The local university participates in project management. However, the systems Illinois and Ohio use are too intricately tied to those particular states to be easily transferable to institutions beyond their borders. Some other institutions that are building or operating joint facilities include:

California Polytechnic State University, San Luis Obispo

The fine arts center is being constructed on university land, with an estimated cost of about $20 million, two-thirds financed by the state, one-sixth through a newly created local fine arts foundation and one-sixth from the city of San Luis Obispo. A development agreement sets principles to be incorporated into the operating agreement. The facility director will be a member of the California Polytechnic staff, which will evaluate performance. An advisory commission will make scheduling and other recommendations for facility use. The foundation is expected to raise several million dollars for an operating endowment. The university will absorb any losses.

Northern State University (S. D.)

The Joseph P. Barnett Physical Education and Convocation Center was financed jointly through support from the state, special state funds and the city of Aberdeen, which issued bonds supported by a local sales tax. The director of the center reports to the university, and all staff members are university employees. Under the terms of an agreement with the university, the city can use the 8,000-seat main arena for major events.

University of Southwestern Louisiana

The 12,000-seat Cajundome was built by the university on its land. Seventy percent was state funded, 25 percent was funded by the city of Lafayette. Upon its completion the dome was leased to the city for operation on a long-term basis through a five-person

Cajundome Commission—three city and two university-appointed members—which also hires and evaluates the facility's director. The city is responsible for maintenance and any operational losses. The university may use the facility for 22 days of the year at no cost and must pay for additional days.

University of Texas at El Paso

The university deeded a large amount of land to the county of El Paso, which issued bonds to build the Sun Bowl Stadium. It was leased to the university for all but one day a year for the Sun Bowl Football Game and Festival, which is operated by the Sun Bowl Association. The university is responsible for the stadium operation and maintenance. To expand the stadium, the county redeeded most of the land back to the university, which then built an addition to the stadium. Other aspects of the arrangement were not affected.

University of Wisconsin-Green Bay (UWGB)

A fine arts center is currently under construction on university property at an estimated cost of $17 million, of which $13.5 million was raised privately by the Greater Green Bay Community. The remaining $3.5 million was state funded. In raising the private money, UWGB stressed that the facility would have three uses: university, community, and professional performances. A broadly based, 35-member advisory commission was established and it meets periodically to recommend general strategy. Of this body, a 10-member executive committee meets regularly to advise the chancellor on all matters related to the facility. The director reports to the university, which is also responsible for deficits.

University of Wisconsin-Platteville

In response to funding assistance during the construction of the football stadium from the local Platteville School District, UW-Platteville leases the stadium for a modest fee for high school games. The university retains full responsibility for the operation of the facility, built on university land.

University of Wisconsin-Superior

Wessman Arena, a 1,200-seat ice hockey arena that can be expanded to 4,000 for non-hockey events, is 75 percent owned by the university, 25 percent by the city of Superior, which put up funds to be drawn down as needed. The facility also has two medium-sized conference rooms. The arena director reports to the university, which operates the facility and is responsible for all fiscal matters. An operating board, composed of equal membership from the respective owners, is advisory to the chancellor.

Other traits shared by the joint venture facility projects observed include:

Little Likelihood of State Funding

In each case institution administrators realized they would not be able to obtain capital state funding for the desired facility in the foreseeable future, and had to seek alternate funding.

The Necessity of Community Participation

In many cases the state leaders specified that funding was contingent on local cooperation and participation. Although such conditions could be considered obstacles and the sincerity of such statements was questionable, some institutions used them to challenge their communities and constituencies to action.

Partnership Negotiations Resulting in Modification of Facility Design

Because the universities had to modify their goals to fit community needs, they benefited from being viewed as concerned and interested in their community. The negotiations resulted in mutually beneficial projects.

Funding Initiative Taken by Communities

In the early stages, community leaders recognized the seriousness of their intent would come under question unless they secured their share of funding prior to seeking supplemental state funds, and so tended to have early referendums on bonding or other sources of community funding. These initiatives tended to stimulate the rest of the participants and affected groups.

Effective Community Political Support

The universities found community leaders quite effective in obtaining the state's share of funding once they had obtained their local share. Not only did this support assist in obtaining allocations directly from the legislature, but in several cases it was also important in obtaining money set aside for other purposes.

University Promises Kept

In most communities vocal critics predicted that promises made by the university would not be kept. However, in the cases studied, universities took special efforts to make sure all pledges were honored, reinforcing the mutual good feelings.

The Key Role of the Facility's Director

The quality of the person chosen for the leadership position of the new facility was considered critical to success. Most institutions sought someone from outside the area with experience in the field and with strong interpersonal skills.

Unexpected Creativity Stemming from the Dialogue

Creative ideas sprang from planning committee discussions, especially concerning building design and methods of securing public support.

Diversity in Operating Relationships

Facility operating relationships differ widely. Many are operated by the university, some with advisory committees. Some are operated jointly with the community under operating agreements providing equal representation. In one case, the university has turned over the entire management responsibility to the local community. Unexpectedly, all of the various approaches have proven satisfactory.

Facility Director Selection Process

In most cases the university is responsible for the selection and evaluation of the facility director. In some cases the responsibility falls on a jointly appointed management board. However, even in those cases in which the university has control, community participation figures substantially.

Prolonged Legal Challenges

In several cases, legal challenges were brought by third parties in an attempt to dissolve the university-community partnership. In most such cases, project costs were not at issue; rather, complaints tended to concern a perception of not benefiting from final decisions, or a fear of environmental problems posed by the project. When legal challenges did arise, the tenacity of the plaintiffs surprised both community and university leaders.

In general, those who have formed partnerships to build facilities are pleased with the results and would enter into such agreements again in the future. The collaboration usually results in a closer working relationship, and the final facility benefits from the mutual dialogue occurring during planning and development.

6

ADVICE

The following guidelines may assist other institutions in pursuing joint facility projects. They are intended to serve as general approaches to working through the maze of circumstances and issues that tend to arise in such projects. They are based heavily on the institutional experiences described in this volume and augmented by the author's experiences. Because they are general, administrators will need to adapt them to the specific circumstances of their institutions.

Some guidelines appear more than once because they apply to more than one phase. Unfortunately it was impossible to list them both in order of importance and in order of timing; therefore, items are numbered solely for reader convenience.

Because the cases examined primarily involved communities, and using alternating terms might be confusing, the term community is used throughout the guidelines to indicate "partner", whether the partner is the community, county, region, or a private group of citizens. In a like manner, the term institution is used in place of the cumbersome "state college or university."

GETTING STARTED

1. The process you are about to begin is heavily dependent on trust, which can be fostered by using institutional representatives respected for their support during previous projects of value to the community. Identify those people within the institution who are or have been community leaders. Meet with and describe to them what you are contemplating, requesting their advice on approaches to use and people to consult.

2. Ask your community relations staff to apprise you of recent interactions between the institution and community, and their outcomes. What is the history of community for your institution? Become familiar with past successes and failures. Check on the status of any cooperative projects in progress, no matter how small.

3. When talking about the potential project, even on the campus, emphasize the goal of equal partnership. There is bound to be suspicion of the institution, even among its friends. Approaching this kind of project as the "bully" or dominant partner may cause serious, avoidable problems.

4. One of your keys to success will be the degree to which your institution is seen as helping the community. You must be willing to modify your priorities to include those of the community, some of which may be of little value to you.

5. Use the situation to identify leadership talent. To some of your staff, developing and retaining the cooperation of the community through the long and complex process of planning and construction will be burdensome; but to others it will present an opportunity for creativity. Your discoveries can be applied to other administrative endeavors. Having to work out problems and issues in new ways and with new people compels staff members to think in new ways to get the job done. Knowing this at the beginning will assist everyone later.

Develop General Objectives for the Project

1. Spend time creating and reviewing institutional objectives for the project, sharing them with your local governing board. (At this stage, it might be premature to approach the statewide governing board or any public group, but not system staff.) Goals at this point might be to:
    a. Obtain the desired facilities quickly and economically.
    b. Obtain exclusive or primary operating authority over the facility.

c. Ascertain the community's needs, and decide to what extent institutional project needs can be adjusted to meet them.
d. Develop a planning process that involves diverse community leaders trusted by their peers.
e. Take advantage of the project process to form closer town-gown relationship and to foster future community support.

Determine Operating Authority

1. Determine the level and amount of control your institution must retain. Many elements of authority - such as the setting of fees or pricing of tickets, determination of dress codes, and the like - can be placed in the hands of an institution-community operations board. Control our supervision of personnel, especially the facility director, and the timing of uses of the facility might, however, best be kept by the institution.

2. Surmise the probable objectives of the joining agency (partner), which should assist you in determining the degree to which operating authority will be at issue. If the partner is seeking significant operational authority, then it should also be willing to share liability and risk.

   You may well learn that the joining partner seeks something other than formal participation in operating the facility - for example, community use of the facility at low cost, or tax revenues from the increased business the facility attracts into the community, or other concessions having little or nothing to do with the facility.

3. After clarifying expectations of the participating partners, establish a process to see that such expectations can and will be fulfilled. Although not all partners seek formal relationships in return for investment and support, all do expect recognition and understanding of their desires in administration of the facility.

Assess Opportunities and Threats

1. Finalize your institution's primary and secondary objectives for the project.

2. Review all funding options, comparing them on the basic of dependability and probability of funding, probable timing of the completed project, flexibility of facility design and furnishings, and institutional priorities.

3. Check the feasibility of lease/purchase possibilities. In some cases, private developers, especially those with alumni or lasting relationships with your institution, may be able to provide a facility that will satisfy your needs with little or no initial investment.

4. Determine potential community support and opposition, and how you intend to maximize the support. Remember that the more the community views the project as beneficial, the easier it will be to obtain community support in referendum, and the more active community leaders may be in providing support.

5. Determine what alternatives will be lost after initiation of this project. Every capital decision will tend to eliminate future options. This is the best time to bring such possibilities under review.

6. Determine what other institutions might try to "hitchhike" on this project, ask for competing funds, or hamper the project for their own purposes. If you see probabilities of this kind, keep them in mind and mention them to the institution community planning committee. Community leaders may be able to resolve such problems in a way you cannot.

7. Determine what groups in the community will suffer if the proposed project does not work out "their way." For example, the facility may draw business away from certain merchants, or the location may thwart certain developers hopes and plans. Such groups may work hard to block the project, sometimes disguising

their motives and using third-party attacks to confuse or delay. Mention such possibilities to community leaders so that strategies may be developed.

8. Prepare your board, your campus, and your partners for hostile allegations and legal actions that may arise once the project becomes public. Expect dissatisfied people to sue, to be noisy, to make unjustified statements, to use any means at their disposal, and to be persistent. Expect such processes to go on for a year or more and to be appealed to the highest courts. If any of your key people appear unprepared for such behavior, postpone the process.

9. Determine how your institution will handle unanticipated deficits resulting from underestimating operating costs. Most planning estimates do not accurately pinpoint the costs of unexpected delays, inflation, and compromises and adjustments. Prepare for the worst-case scenario period.

10. Beware of unexpected jurisdictional loopholes that may give a third party (city, county, state agency) temporary or continuing authority over functions of the completed facility. Areas of possible concern include purchasing, accounting and records, maintenance and safety inspections, and utilities. Problems may arise from unforeseen regulations requiring city, county, or state agency funding authority or responsibility.

11. If your institution won't own the facility outright, determine who provides the utilities, handles the purchasing and safety inspections, and so on.

12. Consider carefully the risks of accepting an unsatisfactory agreement. As the proposed project becomes more public, well-meaning people will attempt to provide solutions for the problems that develop. Some such solutions may result in compromises your institution would not have found acceptable at the beginning.

Such alternatives need to be reviewed on their merits, not clouded by the pressures of the developing project. If an agreement is not acceptable, it will not improve with age, and delay in calling a halt will only make matters worse. Furthermore, a call for cancellation might bring about sufficient attention to resolve the situation constructively.

13. Develop an informal, incomplete proposal and discuss it with a few key community leaders. While accepting their advice, attempt to obtain their informal support for the project and approach. If your proposal is too complete or too slick, they may feel you are simply using them rather than seeking a true partnership for mutual advantage.

Approaching the Partner

1. Outline the proposed joint partnership project to community leaders, indicating the nature of your funding problems, the degree of institutional flexibility regarding modification of plans, and the mutual benefits of the partnership. Ask for their ideas and help.

2. Try to identify a common enemy or threat - such as the state or the loss of state funds to other entities. Illustrate how this situation threatens both institution and community. It would be fortuitous if some senior state official would challenge the institution and community to work together to develop the facility. Make sure you have your facts straight.

3. Recommend the establishment of an institutional-community project planning task force, commission, team, or committee. Suggest a respected community leader to head it. If possible, identify a leader with strong interpersonal leadership and substantial political experience, such as a former mayor, CEO of a large local firm, or former city council chair. Suggest the inclusion of a representative spectrum of community leaders, and key institutional personnel to fill out the committee. Don't be too concerned about the size of the committee. Technical subcommittees can do the specifications and political work.

4. Concentrate on the joint objectives of the project, put them in writing, and see that they are broadly distributed and discussed throughout the community. Most of the presentations to civic and other community groups should be by non-institution members of the planning team.

5. Review the benefits of the proposed facility to make sure they are achievable before you provide them to the general public. Be careful not to over-promise advantages to obtain support for the project. Once the facility is built, establish a process to ensure that promises made are kept.

6. Establish a subcommittee of the planning committee to monitor the pulse of the community, region, and state political scene. This group can determine from where and under what circumstances community, legislative, and other political support may come. The community membership of this committee may be crucial in that its ability to operate behind the scenes could accomplish feats the institution could not achieve on its own.

7. If possible, postpone discussion of some key issues during periods of consensus building because reaching decisions on certain variables may result in alienating some community support prior to a necessary public referendum on the project. Decisions on facility location, commercial items to be sold or provided in the facility, and fees and admissions charges typically fall into this category. This is not to suggest that such matters be put off if basic to the entire project, or if an obvious conclusion already appears to exist.

8. Develop and confirm in writing an understanding of what the relationships between the partners will be once the facility is completed. Although reaching this understanding need not be an early priority, it should occur during project development and well before the completion of the facility. By permitting the partnership members of the committee to speak first on the issue of operating

the facility, the institution may avoid a conflict over the subject. Community partnership leaders may state their interest in distancing themselves from that troublesome responsibility.

9. If no decision on the selection of the facility director is made during discussions on relationships once the facility is open, suggest that half the screening committee for that position be from the community, making sure that the institution is responsible for making the final selection. It is essential that the institution is responsible for formal evaluation of performance and reappointment of the director, with input from any community group that may be appointed.

10. If a facility coordinating board is established, it should report to the institution's president and not to the institution's governing board. Such a coordinating board is administrative in nature and not involved in institutional policy. Indeed, intrusion of the institution's governing board into the operation of the already complex situation may be sufficient reason to discard the project as unworkable. Such a practice will quickly result in governing board members being contacted for discussion on rumors about program developments and community conflicts. It will be essential that the president be the only arbitrator and public authority.

11. Because the entire period from start to finish of this project provides an uncommon opportunity to enhance relationships with the community, arrange for regular communication and feedback during all stages of the project. This might best be accomplished by a community member of the committee through community media, with cooperation of the institution's public information staff.

12. Unleash the creative nature of the project planning groups by permitting broad and detailed discussion of the project, its characteristics, its presentation to the public, and the like. Because this kind of activity will be new to most members, the working relationships will be fresh. If asked, members will present a variety of ideas.

The resulting process and facility may well prosper from this dialogue, and new community working relationships may develop.

COMMUNICATION WITH THE COMMUNITY-GUIDELINES

1. The development of this project partnership represents an ideal opportunity to strengthen institutional relationships with the community. This cannot succeed without strong and continuous reinforcing communication. Even in good times, the college or university is usually gigantic in comparison with other employers in town and therefore needs to be watched carefully. It becomes the institution's responsibility to keep the communication constant and open.

2. State clearly the funding problem using figures and references that are accurate and can be verified by interested parties.

3. Once a joint planning committee is formed, be sure to stress, from that time on, the partnership nature of the project.

4. Institutional public information staff members should consider providing assistance to local media reporting information provided by the planning committee chair or representative, instead of issuing press releases from the institution.

5. If possible, identify and communicate the existence of the "common enemy," typically the state or the potential loss of state funds to other institutions or services. Illustrate how this is posing a problem for the institution. Be careful to present accurate facts in a pertinent context. It would be helpful if a community leader or senior state official would challenge the institution and community to work together to develop the facility.

6. Be sure to report the decisions made by the planning committee, quoting the committee chair after each meeting in which meaningful decisions are made.

7. Be sure to stress the changes in the objectives and project design resulting from community requests for modification, indicating the benefits to the community.

8. Be conservative in making commitments during any public awareness or referendum campaign, reviewing promises to make sure that they can later be kept. Make sure to keep the promises made when the facility is operational. Then, remind the media of the promises kept.

NOTES

Reassessment, re-examination and retrenchment, a few of today's buzzwords in higher education, signal that American public colleges and universities, often through financial and political necessity, are looking backward instead of forward. This new way of thinking has its victims. Among them is capital construction. Increasingly, those who believe that new facilities mark the vitality of state colleges and the regions they serve watch as their line-items are stripped from state budget after state budget. Discouraged by this cycle of inefficacy but convinced of the value of these capital projects, a few institutions have broken with tradition—successfully negotiating funding partnerships with local governments. This book details three of these projects and highlights several others.

To examine this growing trend in public higher education, the American Association of State Colleges and Universities commissioned a national study from Houston G. "Tex" Elam, a renowned expert in higher education finance. Elam traveled to Southeast Missouri State University, the University of Nebraska at Omaha and Black Hills State University in South Dakota to chronicle the successful joint ventures on those campuses. His book, *Joint Venture Partnerships: a Scarce Funds Approach to Acquiring and Operating New Facilities at State Colleges and Universities*, shares everything from the legal minutia of a joint venture contract to the common experiences and pitfalls of these cooperative agreements. It offers a broad and valuable perspective for those considering such projects on their campuses.

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